

**JOINT MEETING OF THE
WOOD VILLAGE CITY COUNCIL AND
URBAN RENEWAL AGENCY**

**May 28, 2019
MINUTES**

PRESENT: Mayor Scott Harden, and Councilors Bruce Nissen, John Miner, and Brian Loy. Urban Renewal Members Stanley Dirks and Steven Morasch. City Manager Bill Peterson, Public Works Director John Niiyama, Finance Director Seth Reeser, and interested parties.

ABSENT: Council President Patricia Smith, Urban Renewal Member Craig Howard, and City Attorney Jeff Condit.

SWEARING IN OF APPOINTED COUNCILOR

- City Council Position 5: Brian Loy

RESOLUTION URA 2-2019: URBAN RENEWAL PLAN MINOR UPDATE

Peterson presented the report and resolution and stated that this update was driven by potential changes at the state level for urban renewal agencies. Peterson stated that the premise of the proposed state revisions is to prohibit or limit the ability for urban renewal agencies to build public buildings and facilities. Peterson stated that we have both in the plan. Peterson stated that the plan update also includes updated project lists and costs which will help the bond counsel when debt is needed at a larger level. Peterson stated that another acre of land was also included in the boundary, which brings the total area to 609 acres.

Peterson stated that this update does not change the overall debt limit, which is \$11.75 million. Peterson stated that if that were to change, it would need to go through a major amendment which has to be approved by all the underlying jurisdictions and is referable. Peterson stated that this is a minor amendment that can go through the board. Peterson presented pending developments that will add significant value to the agency which will enable number of projects to be undertaken within the next couple of years.

Peterson presented the pending project list with updated values. Peterson stated that those projects will take the agency through the next couple of years, and then the agency will need to go out for a bond to take on the larger projects. Peterson stated that the current list exceeds the overall debt limit of the agency, and the proposed project list comes in at the debt limit.

Peterson presented the alternative approaches which includes not amending the plan, and the legislation may or may not happen this year or this term. The agency can also request more detail and information on the specific projects. Peterson stated that the staff recommendation is to approve the resolution adopting the revised plan.

Dirks asked about the long-term projects of the agency and plan, and how Wood Village Green is now out of the plan but still in the agency boundaries. Peterson stated that it has been a net liability to the agency, and while the property is in the boundary and has appreciated in value, the units themselves are declining yearly. Dirks asked if it would be beneficial to remove that portion from the plan. Peterson stated that can happened at any time.

Morasch asked if this amendment would help the Main Streets on Halsey efforts if this was adopted sooner rather than later. Peterson stated that this will not have a direct impact on that project, and the main purpose of the update is to remove outdated or complete projects from the plan. Peterson stated that the plan specifically calls out \$2 million directly for Halsey, and this clarifies that intent and purpose.

Miner asked about the procurement of sewer treatment capacity and what does that buy. Peterson stated that will buy the ability to fully develop the town center. Peterson stated that from 2010 to 2019 we went form about 80% to 90% of purchased capacity. The additional units at Riverwood will take up close to the maximum. The City is buying more capacity this year, which will cover that and a couple of pending multi-family developments. The Urban Renewal purchase in the future will enable the town center and build out density in the future.

Harden asked about the change form the term city parks to municipal parks. Peterson stated that the original plan called out the specific Donald Robertson Park. There is now pending new park land in the City, and the change is to make it clear that it is for all park lands in the City.

Upon motion by Miner, seconded by Morasch and passing 6-0, Resolution URA 2-2019 amending the Wood Village Urban Renewal Plan with a minor amendment was approved.

RESOLUTION URA 3-2019: ADOPTING THE WOOD VILLAGE URBAN RENEWAL DISTRICT BUDGET FOR FISCAL YEAR 2019-20 AND MAKING APPROPRIATIONS

Peterson presented the resolution and stated that total revenues are estimated to be \$195,000 in the next year. Materials and supplies is budgeted at \$15,000 with the majority of that being for the annual audit. Peterson stated that there is also a debt repayment of the \$1.2 million loan which is about \$120,000 a year. Peterson stated that there is \$167,000 in incentives, and \$390,000 for the Arata Road fencing project. Peterson stated that this was presented to and recommended by the budget committee.

Peterson stated that operating costs and debt service is met through the period as well as the projections. Peterson stated that the relative health of the agency keeps improving as the pending development actually builds and gets on the tax roll. Peterson stated that it will be a couple more years to get the bond financing which is projected to be about \$4 million.

Peterson presented the staff recommendation on the budget which was recommended by the Budget Committee.

Nissen asked about the Arata Road fencing with the old estimate of \$390,000 and asked if there is an updated estimate. Peterson stated that we have been trying to get an updated estimate, and the contractor has yet to provide that. Peterson stated that we took the estimate from two years ago and updated it by a cost index.

Upon motion by Nissen, seconded by Dirks and passing 6-0, Resolution URA 3-2019 adopting the FY 2019/20 Urban Renewal Budget was approved.

RESOLUTION URA 4-2019: LEVYING AND CATEGORIZING AD VALOREM TAXES FOR FISCAL YEAR 2019-20

Upon motion by Loy, seconded by Nissen and passing 6-0, Resolution URA 4-2019 categorizing ad valorem taxes was approved.

RESOLUTION URA 5-2019: DEVELOPMENT AND DISPOSITION AMENDMENT NO. 7

Peterson presented the resolution and stated that this is what was presented at the last City Council meeting, and the Council acted to approve the resolution and amendment. Peterson stated that the original amendment included reassigning the DDA to a different entity that is controlled by WDA. Peterson stated that this amendment included some additional items which is why it is before the board this evening.

Peterson stated that the amendment keeps many of the key items the same. What changes is the lot line adjustment creating three separate lots. Peterson stated that the City Council did approve the resolution and that is the staff recommendation as well.

Upon motion by Dirks, seconded by Morasch and passing 6-0, Resolution URA 5-2019 amending the DDA was approved.

THE URBAN RENEWAL BOARD ADJURED AT 6:05PM.

PUBLIC HEARING: RESOLUTION 29-2019 FOR RECEIPT OF STATE SHARED REVENUE

Peterson presented the resolution on state shared revenue and explained what is and is not included in the state shared revenues. Peterson stated that it does not include the gas tax which is separately funded. Peterson stated that the staff recommendation is to approve the resolution authorizing the use and receipt of state shared revenues.

Harden opened the Public Hearing.

There were no comments.

Harden closed the Public Hearing.

Upon motion by Miner, seconded by Nissen and passing 4-0, Resolution 29-2019 accepting state shared revenues was approved.

PUBLIC HEARING: FY 2019-2020 BUDGET, AND PROPERTY TAX LEVY

Peterson presented the budget and stated that there is a summary presentation and a detailed presentation depending on what information the Council wants. Peterson stated that the operating budget maintains a margin between expenses and revenues. Peterson stated that there are no staff changes, and there are funds for park land acquisition and the construction of the new City Hall facility. Peterson stated that the budget also includes the multi-year accumulating appropriations.

Peterson presented the total budget for all funds and explained that this is the total budget which includes transfers between funds, so the same money is being counted multiple times. Peterson presented the operating budget, and the changes made since the Budget Committee. Peterson stated that the Budget Committee authorized the SDC transfer for the park site purchase, and all the discretionary capital items which includes the façade program, more banners, park design, and meter reading equipment. Peterson stated that there is one item that was not before the Budget Committee, but action was taken for the Cedar Lane project for a loan. Peterson stated that action has been accounted for in this budget with the loan and repayment terms.

Peterson stated that overall from an operating standpoint, the General Fund is in great shape. Peterson stated that the cost of living increase estimate that was used was 2 percent, and the actual number looks to be 2.4 percent. Peterson presented the total revenues for funds, and the General Fund capital projects, which come out to be about \$900,000 including the park site purchase.

Peterson presented the funds for the enterprise funds such as streets, water and sewer. Peterson stated that even with the overage from the Cedar Lane project, the Street Fund can take on some significant projects in the next year because of the way the loan was structured from the General Fund. Peterson stated that the Sewer Fund has the tightest margins and the highest relative sewer rate for residents in the multi-city area. Peterson stated that this year's budget plan as some major capital investments, and the large sewer capacity purchase is being funded predominantly by sewer SDC charges.

Peterson stated that operating revenues are up about 6 percent overall for all funds. Peterson stated that operating costs are contained at about 4 percent, and that was also driven by the contracted services and caps in the fire contract. Peterson stated that public safety accounts for about 52 percent of expenses.

Loy asked if there are any studies or corollaries on the investment of capital and the relation to revenues. Peterson stated that for the City in the investment of its systems, we invest in the overall system such as pipes and capacity. Peterson stated that is done to maintain the system and ensure its viability to provision services. Peterson stated that the investments are strategic for

our system, and an example is not buying a vactor truck because it would not be used enough by our system to justify the cost. Since there are other area providers, it makes more sense to contract it out than make that purchase investment.

Miner asked about the costs of sewer and how the rate is higher than the other areas. Peterson stated that is driven by treatment costs, and how the overall personnel costs are allocated. Peterson stated that 25 percent of the field personnel is in sewer, and the system relies on some lift stations which have higher maintenance, power needs, and other special characteristics that cost more than gravity systems.

Harden asked for public testimony.

There was none.

Upon motion by Nissen, seconded by Loy and passing 4-0, Resolution 30-2019 adopting the FY 2019/20 budget was approved.

RESOLUTION 31-2019 LEVYING AND CATEGORIZING AD VALOREM TAXES FOR FISCAL YEAR 2019-20

Upon motion by Miner, seconded by Nissen and passing 4-0, levying and categorizing ad valorem taxes was approved.

RESOLUTION 32-2019: EXECUTIVE RECRUITMENT FIRM CONTRACT AWARD

Peterson present the resolution and stated that the City Manager is retiring, and a new City Manager is needed by the end of November. Peterson stated that the council authorized the RFP for a City Manager recruitment, and the scope was for a full recruitment process from a third party. This includes a community and candidate profile, and the steps necessary for a selection by the City Council.

Peterson presented a draft timeline, which has the recruitment posting beginning in July and closing in August. Peterson stated that five proposals were received, and the costs ranged from \$25,000 to about \$30,000 for the base fees not including travel expenses. Peterson stated that the budget includes \$40,000 for the process. Peterson presented the list of firms that responded and stated that a staff group and a couple of Councilors reviewed the proposals. The proposals were forced ranked, and Prothman came in at the top and is the recommended firm.

Peterson stated that the base fee is \$18,000 and is \$24,900 with projected expenses. Peterson stated that they provide a warranty that if a candidate is not selected, they will start over with no base fee, just costs if the selected candidate does not make it 18 months.

Upon motion by Nissen, seconded by Loy and passing 4-0, Resolution 32-2019 selecting Prothamn for the City Manager recruitment was approved

RESOLUTION 33-2019: SUPPORT FOR REGIONAL FLEX FUND PROJECTS

Niiyama presented the resolution and stated that there was a presentation at the East Multnomah County Transportation Committee on the regional flex funding coming up in the next few years. Niiyama stated that regional flex funds are federal funds that come through Metro on a three-year cycle. In this case it is 2022, 2023, 2024.

Niiyama stated that the Council packet includes the proposed projects for the east county region of EMCTC. Niiyama stated that there are five projects, two on Sandy, two on 223rd, and one on Halsey. Niiyama stated that the Sandy and 223rd projects are split into segments. All projects look to improve pedestrian and bike facilities along the segment by completing sidewalks, bike lanes, and in some cases storm waster issues. Niiyama stated that none of the projects are directly in the City, and we do have a voice in the projects that we support and want to see completed. Niiyama stated that the resolution is for the Council to select its top three projects out of the five.

Miner stated that he serves on EMCTC and stated that there are a lot of moving parts and pieces to these projects and any one of them will also help the City. Miner stated that not all the projects will get funded, and a key piece will be to select projects that can compete on a regional level as Metro looks at what can be funded. Miner stated that the Halsey Street has a lot of momentum from a lot of partners but is not sure it will meet the final Metro definition of corridor. Miner stated that the extension of Sandy is also important but may not carry all the votes.

The Council discussed the projects and stated that they would support the two Sandy projects and Halsey.

Upon motion by Nissen, seconded by Miner and passing 4-0, Resolution 33-2019 providing support for specific regional flex fund projects was approved.

CEDAR LANE PROJECT RECAP

Niyama presented the Cedar Lane project and stated that the project wrapped up about two weeks ago. Niiyama stated that the project included a new 36” storm line throughout the entire roadway, new water line was installed, and we replaced non-functioning catch basins.

Niiyama stated that the engineer’s estimate was \$935,000 and the original contract price was about \$741,000. Niiyama stated that there were five change orders totaling over \$330,000 for a total project cost of about \$1,120,000. Niiyama stated there were still be some engineering costs that have not yet come in. Niiyama presented photos of the project in progress. Niiyama stated that the project resulted in three service disruptions as the new water line was installed, and all disruptions were for less than a day.

Niiyama stated that the roadway rebuild ending up being dramatically different than anticipated due to failed and lacking sub-base. Niiyama stated that we ended up placing 18 inches of sub-

base under geo-grid fabric and three inches of asphalt. Niiyama stated that with proper maintenance, this roadway should last for several decades. Niiyama stated that we did core samples and other pre-construction tasks to limit unknowns, but those did not accurately reflect the condition of the sub-base.

Harden stated that the storm line project was the largest and most important storm water project in the plan. Peterson stated that was correct. Miner asked what other major underground projects are still out there. Niiyama stated that the capital improvement plans list out some specific areas for improvement, and none come close to this level. Peterson stated that there is a big sewer line project, but it is not under a road

PUBLIC WORKS DIRECTOR'S REPORT

Niiyama presented the report and stated that Public Works Week was last week, and Rockwood Water hosted a luncheon event for the area cities. Niiyama stated that the Arata Road project is continuing, and that project has run into the same problems as Cedar. Niiyama stated that crew has had to dig out 30 inches of material. Niiyama stated that the City Hall move is substantially complete, and it was a great effort by all team members.

Niiyama stated that there was an equipment failure at well 4 which has caused the well to be shut down for a few weeks. The well should be back up at the end of this week or early next. Niiyama stated that a valve failed which then cause damage to the well shaft

Niiyama stated that development continues in the City with the Halsey project moving along and the Riverwood development is nearly finished. Niiyama presented the utility report and stated that the system loss is about 8 percent which is within standards.

FINANCE DIRECTOR'S REPORT

Reeser presented the report and stated that the report covers through the end of April, which is nearing the end of the fiscal year. Reeser stated that all fund except for the Street Fund due to Cedar Lane are on track. Reeser stated that personnel costs are about 85 percent of budget, and the investments are at \$6.3 million with no real change in the interest revenues. Reeser stated that the state gas tax revenues were lower than anticipated for the last month, and Reeser stated that he has reached out to the state for an explanation.

CITY MANAGER'S REPORT

Peterson stated that the Annual Performance Plan report is in the packet as is the calendar for the remainder of the year.

ADJOURN

With no further business coming before the Council, the Council adjourned at 7:32pm.

T. Scott Harden

T. Scott Harden
Mayor

10-22-19

Date

ATTEST:



Greg Dirks: City Recorder